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RR RUEH DU RUEHJO  
DE RUEHSA #0399 0331032  
ZNR UUUUU ZZH  
R 021032Z FEB 06  
FM AMEMBASSY PRETORIA  
TO RUEHC/SECSTATE WASHDC 1262  
INFO RUEHBU/AMEMBASSY BUENOS AIRES 0176  
RUEHTN/AMCONSUL CAPE TOWN 2313  
RUEH DU/AMCONSUL DURBAN 7424  
RUEHJO/AMCONSUL JOHANNESBURG 3780

UNCLAS PRETORIA 000399

SIPDIS

SENSITIVE BUT UNCLASSIFIED  
SIPDIS

E.O. 12958: N/A

TAGS: [FAIR](#) [SF](#)

SUBJECT: CIVAIR: NO SOUTH AFRICA INTEREST IN OPEN SKIES  
NEGOTIATIONS

¶1. (SBU) Summary. South Africa's Acting Chief Director for Aviation and Bilateral Affairs reiterated that South Africa preferred incremental liberalization to an open skies agreement with the United States. South Africa's current strategy was to improve access for its carriers to African markets by pursuing the pan-African Yamoussoukro Agreement. He said that South Africa was warning African countries that if U.S. or EU carriers started linking their 5th freedom rights in Africa, it would lead to greatly discounted prices on legs where the passenger loads were low, thus hurting African carriers. He argued that these countries should rather open their markets to South Africa. Bierman said that the Department of Transport (DOT) gave up on trying to learn more about the needs of South Africa's growing air cargo market. Its only concern was whether there seemed to be sufficient capacity. End Summary.

¶2. (SBU) South Africa's Acting Chief for Bilateral Negotiations, Johann Bierman, reiterated that South Africa was not interested in pursuing an open skies agreement with the United States, but remained interested in discussing incremental improvements to the existing bilateral agreement. Bierman explained that South Africa's current strategy was to improve access for its carriers to African markets by pursuing the pan-African Yamoussoukro Agreement. The Yamoussoukro Agreement calls for the liberalization of intra-Africa air transport.

¶3. (SBU) Bierman commented that allowing U.S. or European carriers to operate freely in Africa would come at a cost to the development of African aviation. He said that South Africa objected to other African countries, such as Namibia, Ghana, and Nigeria, negotiating bilateral agreements with the United States and others. He argued that these countries should rather open their markets to South Africa, they resisted doing so because they knew that South Africa would actually enter and dominate their markets. He said that South Africa was warning African countries that if U.S. or EU carriers started linking their 5th freedom rights, it would lead to greatly discounted prices on legs where passenger loads were low, thus hurting African carriers. He further noted that if South Africa signed an open skies agreement with the United States, then South Africa would not have much to stand on when it came to keeping African countries united in the pursuit of Yamoussoukro. He added that an open skies agreement with the United States would also weaken South Africa's position vis--vis the United Kingdom, which was pushing hard for greater access to the South African market.

¶4. (SBU) Econoffs highlighted the benefits of open skies for Bierman. During the August 2005 bilateral negotiations in Washington, Bierman's predecessor, Godfrey Selepe, identified three objections to the U.S. open skies proposal: no

cabotage, limitations from the Fly America Act, and limitations on the foreign ownership of airlines. Bierman acknowledged these objections, but did not elaborate. He said that Minister Radebe had agreed in principle to moving toward open skies over time, but not necessarily under the U.S. model. Bierman said that while South Africa would request a significant number of supplemental flights in 2010 when it hosted the World Cup Soccer event, it saw no reason to speed liberalization simply to serve this one event. He also explained that the DOT gave up on trying to learn more about the needs of South Africa's growing air cargo market because airlines provided a myriad of volume discounts and rebates to their customers, making understanding the industry rather difficult. DOT's only concern was whether there seemed to be sufficient capacity.

15. (SBU) Bierman is normally the Department of Transport's Manager for Infrastructure and Multinationals, where he focuses on the development of aviation policy. He is currently also serving as Acting Chief Director for Aviation, Bilateral Affairs. Former Chief Director Godfrey Selepe now works for South African Airways as head of Aeropolitical Affairs and Alliances.  
TEITELBAUM